

REMARKS/ARGUMENTS

Claims **1, 3-4, 6-16, 22, 31-34, 36-37, 50-53, 55-56, 71-74, 76-77, 92-95, 97-98, 113-115, and 136-208** are pending in this application. According to the August 22, 2008 Office Action, claims **1, 3-4, 6-16, 22, 31-34, 36-37, 50-53, 55-56, 71-74, 76-77, 92-95, 97-98, 113-115, and 136-208** are rejected.

We have amended independent claims **1, 13, 34, 53, 74, and 95**, have amended dependent claims **3-4, 6-8, 10-12, 14-16, 22, 31, 36-37, 50, 55-56, 71, 76-77, 92, 94, 97-98, 113, 115, 136, 138, 149, 152-153, 155-156, 158, 169-171, 184-186, 189-191, 198-201, and 208**, and have added new dependent claims **224-266** to recite particular embodiments that we, in our business judgment, have currently determined to be commercially desirable. We have canceled dependent claims **137, 139-148, 157, 159-168, 172-178, 180-183, 188, 193-197, and 203-207**. The subject matter of the previously presented and canceled claims will be pursued in one or more continuing applications.

Accordingly, the following claims are under consideration:

- Independent claims **1, 13, 34, 53, 74, and 95**.
- Dependent claims **3-4, 6-12, 14-16, 22, 31-33, 36-37, 50-52, 55-56, 71-73, 76-77, 92-94, 97-98, 113-115, 136, 138, 149-156, 158, 169-171, 179, 184-187, 189-192, 198-202, 208, and 224-266**.

I. CLAIM OBJECTIONS

At page 2 of the Office Action, the Examiner objects to the designation of claim **34** as presented in the Amendment/Submission of April 18, 2008 and in particular, indicates that the designation “currently presented” is improper. We note that the designation of claim **34** as presented in the Amendment/Submission of April 18, 2008 should have been “Previously Presented.”

II. REJECTION OF CLAIMS UNDER 35 U.S.C. § 112, FIRST PARAGRAPH

At pages 3-4 of the Office Action, the Examiner rejects previously presented claims **53, 140, 145, 160, 165, 175, 180, 194, and 204** under 35 U.S.C. § 112, first paragraph as failing to comply with the written description requirement and as failing to comply with the enablement requirement.

In particular, in rejecting claim **53** (and similarly, claims **140, 145, 160, 165, 175, 180, 194, and 204**) the Examiner asserts that “... the item being non-transferable ...”

precludes [the] step of ‘... causing the item to be transferred....’” We respectfully disagree with the rejections. In particular, “*the provider having authorized a transfer of the item,*” as recited by claim **53** (and as similarly recited by independent claims **1, 13, 34, 74, and 95**, from which claims **140, 145, 160, 165, 175, 180, 194, and 204** depend) allows a non-transferable item to be transferred. See e.g., Specification page 6, line 31 to page 8, line 25.

Nonetheless, in view of the amendments to claim **53** and in view of the cancellation of claims **140, 145, 160, 165, 175, 180, 194, and 204**, we respectfully submit that the rejection of these claims is now moot.

III. REJECTION OF CLAIMS UNDER 35 U.S.C. § 112, SECOND PARAGRAPH

At page 4 of the Office Action, the Examiner rejects previously presented claims **140, 145, 148, 160, 165, 168, 175, 180, 183, 188, 194, 197, 204, and 207** under 35 U.S.C. § 112, second paragraph as being indefinite.

In particular, in rejecting claims **148, 168, 183, 188, 197, and 207**, the Examiner asserts that the “use of the conditional OR renders the claim indefinite.” We respectfully disagree with the rejection. In particular, we draw the Examiner’s attention to MPEP § 2173.05(h)(ii), which reads as follows:

II. "OR" TERMINOLOGY

Alternative expressions using "or" are acceptable, such as "wherein R is A, B, C, or D." The following phrases were each held to be acceptable and not in violation of **35 U.S.C. 112**, second paragraph in *In re Gaubert*, 524 F.2d 1222, 187 USPQ 664 (CCPA 1975): "made entirely or in part of"; "at least one piece"; and "iron, steel or any other magnetic material."

Accordingly, the use of the conditional “or” as recited by previously presented claims **148, 168, 183, 188, 197, and 207** does not render these claims indefinite. Nonetheless, in view of the cancellation of claims **148, 168, 183, 188, 197, and 207**, we respectfully submit that the rejection of these claims is now moot. We further note that the limitations of these claims have been added to independent claims **1, 13, 34, 53, 74, and 95** and that the use of the conditional “or” as now recited by these independent claims also does not render these claims indefinite.

With respect to claims **140, 145, 160, 165, 175, 180, 194, and 204**, the Examiner asserts that the claims are indefinite because “[i]t is not clear how an item can be transferred yet be non-transferable.” We respectfully disagree with the rejection. As similarly discussed

above, “receiving from the provider authorization to transfer the item,” as recited by claim **1** and as similarly recited by independent claims **13, 34, 74, and 95** (from which claims **140, 145, 160, 165, 175, 180, 194, and 204** depend), allows a non-transferable item to be transferred. See e.g., Specification page 6, line 31 to page 8, line 25.

Nonetheless, in view of the cancellation of claims **140, 145, 160, 165, 175, 180, 194, and 204**, we respectfully submit that the rejection of these claims is now moot.

IV. REJECTION THE CLAIMS UNDER 35 U.S.C. § 103

At pages 4-7 of the Office Action, the Examiner rejects previously presented claims **1, 3-4, 6-16, 22, 31-34, 36-37, 50-53, 55-56, 71-74, 76-77, 92-95, 97-98, 113-115, and 136-208** under 35 U.S.C. § 103(a) as being unpatentable over Woolston, U.S. Patent No. 6,085,176 (hereinafter Woolston). The Examiner fails to establish a *prima facie* case of obviousness of any of the claims.

To reject claims under 35 U.S.C. § 103, an Examiner must show an unrebutted *prima facie* case of obviousness. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art, and there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify a reference.

In a determination of obviousness, the Examiner must support factual findings with substantial evidence of record. In re Zurko, 258 F.3d 1379, 1383-84 and 86 (Fed. Cir. 2001) (“Obviousness is a legal question based on underlying factual determinations.... We review factual findings underlying [the legal determination of obviousness] for substantial evidence.” “With respect to core factual findings in a determination of patentability, the Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001) (In a determination of obviousness, “factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be upheld if supported by substantial evidence.”); MPEP § 2144.03(A) (“It is never appropriate to rely solely on ‘common knowledge’ in the

art without evidentiary support in the record, as the principal evidence upon which a rejection was based.”).

Accordingly, a factual finding of a suggestion or motivation to modify a reference must be supported by substantial evidence of record in order to establish *prima facie* obviousness of a claimed invention. Although the teachings, suggestions, or motivations need not always be written references, the obviousness test must proceed on the basis of some evidence. See Ortho-McNeil Pharmaceutical v. Mylan Labs, 520 F.3d 1358, 1365 (Fed. Cir. 2008). Although an obviousness analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, the rejection on obviousness grounds cannot be sustained by mere conclusory statements. KSR Int’l Co. v. Teleflex, Inc., 127 S.Ct. 1727, 1741 (2007). There must be some articulated reasoning with some rational underpinning to support a legal conclusion of obviousness. *Id.*

Similarly, Officially-Noted subject matter unsupported by any evidence of record clearly lacks substantial evidence support and as such, Officially-Noted subject matter cannot be used as the basis for a rejection under Section 103.

In rejecting the previously presented claims, the Examiner asserts in part:

Woolston does not refer to Provider, first consumer and second consumers.

However, the various labels do not affect the method steps. It would have been obvious to one of ordinary skill in the art at the time the invention was made to extend Woolston to disclose Provider, first consumer and second consumers as actors because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

Woolston does not specifically disclose each and every combination of conditions of transferability of applicant’s claims. Official notice is taken that transfer of ownership is based on one or more conditions set by each party. It would have been obvious to extend Woolston to include combinations of conditions of transferability of applicant’s claims because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

Woolston does not specifically disclose each and every type of payment to an intermediary of applicant’s claims. It would have been obvious to extend Woolston to include types of payment to an intermediary of applicant’s claims because the incorporation of such features is no more than the predictable use of prior art elements according to their established function.

Office Action, page 7.

In other words, the Examiner, at least in part, rejects the previously presented claims (i) in view of Officially-Noted subject matter unsupported by any evidence of record, (ii) in view of conclusory statements unsupported by any evidence of record, and (iii) based on purely conclusory suggestions/motivations to modify Woolston to include the limitations of the claims. Because the Examiner's rejection of the claims is based at least in part on findings not supported by the Examiner by any evidence of record, the Examiner's rejection lacks substantial evidence support and is thereby insufficient to establish a *prima facie* case of obviousness.

Regarding amended independent claim **1** (and similarly, independent claims **13**, **34**, and **53**), claim **1** recites in part:

*... receiving from a first consumer ... a request to ... sell an item,
in which the first consumer purchased the item directly or
indirectly from a provider; [and]*

*in which the provider placed on the item at least one
restriction on transferability, the at least one restriction on
transferability comprising the item being non-transferable
by the first consumer; ...*

*based at least in part on receiving from the first consumer the
request to sell the item, ... sending to the provider a request to
release the at least one restriction on transferability of the item;*

*... receiving from the provider an indication that the at least one
restriction on transferability of the item is released;...[and]*

*based at least in part on receiving from the provider the indication
that the at least one restriction on transferability of the item is
released, ... causing the item to be transferred from the first
consumer to the second consumer.*

We respectfully submit that the cited portions of Woolston have not been shown to disclose at least these limitations of claim **1** (and similar limitations of independent claims **13**, **34**, and **53**).

Regarding amended independent claim **74** (and similarly, independent claim **95**), claim **74** recites in part:

*... receiving from a first consumer ... a request to sell an item,
in which the first consumer purchased the item directly or
indirectly from a provider; [and]*

*in which the provider placed on the item at least one
restriction on transferability, the at least one restriction on*

transferability comprising a restriction as to a price at which the first consumer may sell the item; ...

based at least in part on receiving from the first consumer the request to sell the item, ... sending to the provider a request to release the at least one restriction on transferability of the item;

... receiving from the provider an indication that the at least one restriction on transferability of the item is released;

We respectfully submit that the cited portions of Woolston have not been shown to disclose at least these limitations of claim **74** (and similar limitations of independent claim **95**).

Because dependent claims **3-4, 6-12, 14-16, 22, 31-33, 36-37, 50-52, 55-56, 71-73, 76-77, 92-94, 97-98, 113-115, 136, 138, 149-156, 158, 169-171, 179, 184-187, 189-192, 198-202, and 208** depend from independent claims **1, 13, 34, 53, 74, and 95**, we respectfully submit that the cited portions of Woolston have not been shown to disclose all the limitations of these claims for at least the same reasons as claims **1, 13, 34, 53, 74, and 95**.

V. NEW CLAIMS

Because new dependent claims **224-266** depend from independent claims **1, 13, 34, 53, 74, and 95**, we respectfully submit that the cited portions of Woolston have not been shown to disclose all the limitations of these claims for at least the same reasons set forth above for claims **1, 13, 34, 53, 74, and 95**.

VI. CONCLUSION

We respectfully submit that the claims are in condition for allowance. We request that the application be passed to issue in due course. The Examiner is urged to telephone our undersigned representative at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance.

Respectfully submitted,

/Glen R. Farbanish/

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Date

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